

DIRECTORATE OF INTELLIGENCE

Central Intelligence Bulletin

Secret

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13 December 1969

No. 0298/69 13 December 1969

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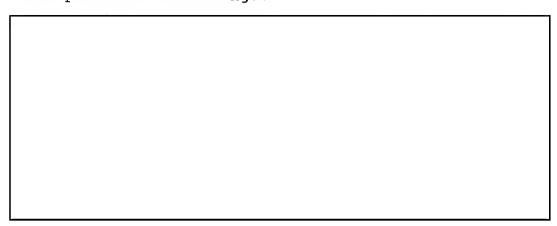
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NATO: The North Atlantic Council will meet on 16 December to discuss implementing the general guidelines for possible East-West negotiations established at the recent ministerial meetings.

The NATO communiqué of 5 December was cool to the Warsaw Pact proposal for an early European security conference. It encouraged expanded bilateral and multilateral contacts with the East, however, specifically endorsing the West German bid to the Soviet Union for a renunciation of force agreement. It also renewed the Allied offer to discuss balanced force reductions, ways to allay tensions caused by the activities of the opposing military forces, and ways to improve economic, technical, and cultural exchanges.

How the NATO countries will go about developing contacts on these subjects with the East Europeans is by no means clear. Most members agree that talks on balanced force reductions should eventually be held between representatives of the Alliance and the Warsaw Pact. Such talks seem unlikely in the foreseeable future, however, because of the complexities of arranging bloc-to-bloc negotiations and because of France's long-standing opposition to this form of diplomatic interchange.



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Hungary - West Germany: The Hungarians are preparing to talk to the West Germans about economic and other matters, an action that could ultimately lead to diplomatic relations as well.

A West German official said on 11 December that there are "fairly clear indications" that in the annual trade talks before the year's end, Hungary intends to broach the question of a long-term economic agreement. The Hungarians also have shown interest in expanding cultural relations and might be prepared to improve consular functions. The West Germans will be receptive to the Hungarian initiative in order to bring pressure on the East Germans to enter meaningful negotiations and to keep their Eastern policy in bilateral forums.

These reports come on the heels of a positive evaluation of the Brandt government by the Hungarian central committee and by the East European leaders who met in Moscow last week. A Kadar lieutenant said in parliament on 11 December that Hungary would appreciate Bonn's willingness to improve bilateral relations, and a Foreign Ministry official said that cautious progress without publicity should be possible.

The Hungarians, nevertheless, will have to lag
slightly behind the Poles, who on 10 December resumed negotiations with Bonn on substantial long-
range trade and credit matters. Bonn will propably
bow to Budapest's reluctance to get ahead of Warsaw
and Moscow.

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Approved For Release 2003/06/11 : CIA-RDP79T00975A015200010001-1 \overline{SECRET}

Council of Europe - Greece: Greece's withdrawal yesterday from the Council of Europe may have repercussions in other international organizations, but early moves against its NATO membership are still not likely.

Eleven of the Council's 18 members had introduced a draft resolution calling for Greece's suspension until it made satisfactory progress toward restoring human rights. Because passage of the resolution seemed virtually certain, Greece decided to withdraw from the Council before a vote could be taken.

There may be moves in the European Communities to attenuate Greece's ties with that organization. Although the association arrangement, which envisages eventual Greek membership in the EC, remains in effect, the Communities have taken several measures against the Athens regime. Financial assistance has been suspended, and some Greek exports have been made potentially subject to reimposition of certain EC taxes. Some members of the Communities may now be encouraged to press the point that the Greek regime violates the principles underlying the Treaty of Rome.

Some NATO members are likely to continue their criticism of Athens. The Norwegián parliament, for instance, has adopted a resolution urging the NATO countries to cancel weapons deliveries to Greece. Nevertheless, several members who were willing to favor excluding Greece from the Council of Europe have expressed reluctance to force Greece out of the Alliance. They argue that NATO bases in Greece are essential to the security of the Mediterranean area.

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Chile: The Frei government has been unable to control the deterioration in military discipline and the politicians' self-serving antics that are creating a climate of crisis.

Rumors that a military coup is imminent are

might decide to move, on the assumption that even an incident could set off a chain reaction in the tense	
atmosphere.	25X1
believe that	
President Frei is deliberately encouraging a coup for	
his own political purposes.	w
Management Parkers .	
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Radical Socialists and terrorists are	25X1
courting military conspirators, but	
the orthodox Communists are attacking the plotting.	25X1
Christian Democratic Senator Renan Fuentealba is out-	25X1
doing the Communists with daily charges that the US	
is deeply involved in the military unrest. His own	<u>!</u>
party is embarrassed by Fuentealba's demagoguery,	L.
which buttresses speculation that the Christian Demo-	•
which buttlesses speculation that the chilistian bemo-	4

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session of the senate.

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crats and the Communists are cooperating. Only recently have high officials effectively disavowed his charges. On 10 December three cabinet ministers absolved the US of such involvement before a "secret"

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Dominican Republic: President Balaguer has probably headed off leftist efforts to stir up labor unrest during the Christmas holidays.

Unions dominated by the major opposition Dominican Revolutionary Party have threatened to stage a series of work stoppages that would lead to a general strike on 22 December. The unions claim they have the backing of 48 labor, professional, and student organizations. Despite the government's paternalism toward labor and sometimes heavy-minded labor policies, leftist and Communist labor groups still command a significant following. Last August, for example, a three-day work stoppage was effective in the capital even though the government had declared it illegal. The strike claimed seven lives and resulted in numerous injuries.

Balaguer's response to the current threat is typical of his previously successful tactics. He quickly obtained congressional authority to suspend constitutional guarantees, declared a Christmas bonus for government workers, closed public schools in the national district until next month, and called on all parties to halt "political cannibalism."

Although the Communists	will probably continue
to call for urban terrorism,	which has become common-
place, the labor unions will	probably find it diffi-
cult to attract widespread po	pular or worker support
in the face of the government	t's carrot-and-stick ap-
proach.	

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Italy: Bomb explosions and resulting casualties in Milan and Rome yesterday will increase pressures on the minority Christian Democratic government of Mariano Rumor. The violence may have been the work of young extremists of the left, who have been trying to inflame the labor unrest that has characterized recent months in Italy.

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The first meeting of the Alliance's Committee on the Challenges of Modern Society was concluded on 10 December with an agreement that member nations should start work on seven projects in the environmental field. The problems to be addressed include air pollution, road safety, disaster relief, individual and group motivation, water pollution, and the translation of scientific knowledge into political decision making. The constructive attitudes exhibited by most of the European Allies at the meetings suggest that the committee will no longer depend entirely upon the US for its direction and activity. A number of the delegates noted that the establishment of the committee had already brought benefits to their governments by forcing them to establish internal components to deal with mounting environmental problems.

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UN-USSR: In a compromise agreement, the UN General Assembly's political and security committee will probably soon approve a draft resolution on the Soviets' omnibus international security proposal. The resolution, which would then be adopted by the plenary General Assembly next week, provides that the 1970 Assembly will "consider appropriate recommendations on the strengthening of international security." The Soviets earlier had made a great effort to obtain a more substantive statement, but will settle for this largely procedural disposition in the face of strong opposition from the Western powers. They also accepted Western demands that, in order to avoid adding to the stature of countries such as East Germany, the resolution be applicable only to the "governments of member states."

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